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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05
EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 L-03 H-01 PA-01 PRS-01 /087 W
----------132025Z 051568 /62
R 131555Z JUN 77
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 8640
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
USMISSION BERLIN UNN
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMCONSUL FRANKFURT
AMEMBASSY LONDON
USMISSION NATO
AMEMBASSY PARIS
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY VIENNA
AMEMBASSY WARSAW

C O N F I D E N T I A L MOSCOW 8428

USEEC

E.O. 11652: GDS
TAGS: EFIN, EEWT, UR, US, COMECON, PINT
SUBJECT: ACTIVITIES OF THE SOVIET STATE BANK

REFS: (A) MOSCOW 7916, (B) MOSCOW 7797 (BOTH NOTAL)

1. DURING CONVERSATION IN WASHINGTON DURING RECNT US-
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USSR JOINT COMMERCIAL COMMISSION SESSION, EMBASSY E/C
COUNSELOR ASKED VLADIMIR ALKHIMOV, CHAIRMAN OF THE STATE
BANK OF THE USSR (GOSBANK), IF THE NEW SOVIET CONSTITUTION
WOULD AFFECT HIS POSITION IN THE COUNCIL OF MINISTERS
(REFTEL A). ALKHIMOV EXPLAINED THAT UNDER A SPECIAL LAW
THE CHAIRMAN OF GOSBANK IS A MEMBER OF THE COUNCIL OF
MINISTERS. HENCE NEW CONSTITUTION WOULD NOT AFFECT HIS

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POSITION. HE FURTHER ADVISED THAT PURPOSE OF NEW CONSTITUTION IN THIS REPSECT IS TO PRECLUDE PROLIFERATION OF MEMBERSHIP IN COUNCIL OF MINISTERS BY CHAIRMAN OF EVERY STATE COMMISSION WHICH MIGHT HAPPEN TO BE ORGANIZED.

2. ASKED ABOUT REPORTS THAT SOVIET BANK OF FOREIGN TRADE (VTB) CONTINUES TO PUZZLE AMERICAN BANKS BY ITS DISINTEREST IN BORROWING, ALKHIMOV CLAIMED THAT HE HAD GIVEN THE ORDER SHORTLY AFTER ASSUMING CHARGE (LAST SEPTEMBER) OF GOSBANK TO CUT BACK ON BORROWING. HE ALLUDED TO PROBLEMS OF SOVIET OVERSEAS BANKS IN THE PAST, THOUGH HE ADDED THAT THEY WERE NOT ALONG IN ENGAGING IN UNWISE TRANSACTIONS AS HAD BANKS IN SWITZERLAND, ETC. HE GAVE NO REASON TO BELIEVE THAT CAUTIOUS ATTITUDE OF VTB, WHICH FALLS UNDER HIS DIRECTION, WOULD RAPIDLY CHANGE.

3. ALKHIMOV CONFIRMED THAT HE HAD USEFUL DISCUSSION WITH BANK OF AMERICA REPRESENTATIVES IN MOSCOW (REF B) AND SAID THAT HE WOULD BE VISITING BANK OF AMERICA OFFICIALS IN WASHINGTON BEFORE RETURNING TO THE USSR. HE MADE REFERENCE TO THE CURRENT $500 MILLION BORROWING BY THE INTERNATIONAL INVESTMENT BANK, NOTING THAT US BANKS ARE IN THE SINDICATE. ALKHIMOV ALSO REFERRED TO FACT THAT IT HAD BEEN POSSIBLE TO REACH THIS AGREEMENT UNDER THE LAWS OF THE FRG, RATHER THAN THOSE OF THE UNITED KINGDOM. HE CONCEDED, HOWEVER, THAT THE STATUTES OF THE INTERNATIONAL BANK FOR ECONOMIC DEVELOPMENT (IBEC), WHICH HE SAID WERE DRAFTED IN 1963, MIGHT NOT HAVE BEEN DONE WITH THE GREATEST PRECISION. SEVERAL NEW STATES HAVE JOINED IBEC SINCE THEN, AND THERE
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MIGHT VERY WELL BE JUSTIFICATION FOR A REVISION OF ITS STATUTES.

4. COMMENT: ALKHIMOV'S COMMENTS AND HIS VISIT TO THE BANK OF AMERICA IN THE UNITED STATES ARE A FURTHER INDICATION THAT THE BANK HAS SUCCEEDED IN RESTORING GOOD RELATIONS WITH SOVIET AUTHORITIES, WHICH WERE STRAINED BY THE IBEC AFFAIR. HIS COMMENTS CONFIRMING THE POSSIBILITY OF REVISION OF IBEC STANDARDS WOULD APPEAR TO SUGGEST SOVIET WILLINGNESS TO CONSIDER SOME ACTION WHICH COULD HAVE THE EFFECT OF REMOVING AN OBSTACLE TO IBEC'S CURRENT ABILITY TO BORROW IN THE WEST.
TOON

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: REPORTS, CONSTITUTIONAL AMENDMENTS, BANKS, REORGANIZATIONS
Control Number: n/a
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Sent Date: 13-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
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From: MOSCOW
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TAGS: EFIN, EEWT, PINT, UR, US, COMECON, GOSBANK, VTB, IBEC
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vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/5c2d4f7e-c288-dd11-92da-001cc4696bcc
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